



# **HOUSE COMMITTEE ON APPROPRIATIONS**

**FY 10-11**

**Executive Budget Review  
Louisiana Department of Education**



**The Louisiana Department of Education has  
six agencies or budget units:**

**19-678 – State Activities**

**19-681 – Subgrantee Assistance**

**19-682 – Recovery School District**

**19-695 – Minimum Foundation Program**

**19-697 – Nonpublic Educational Assistance**

**19-699 – Special School Districts**



# Executive Budget By Means of Finance

LOUISIANA DEPARTMENT OF EDUCATION					
Means of Financing (MOF)	Actual Expenditures FY 2008-09	Existing Operating Budget FY 2009-10 (12/1/09)	Executive Budget FY 2010-11	Change From FY 09-10 to FY 10-11	Percent Change From FY 09-10 to FY 10-11
State General Fund (SGF)	\$3,359,495,934	\$3,188,046,094	\$3,249,527,003	\$61,480,909	1.93%
Interagency Transfers (IAT)	\$460,027,041	\$669,349,451	\$557,487,185	-\$111,862,266	-16.71%
Fees & Self-gen Rev (SGR)	\$6,189,602	\$8,290,735	\$8,814,526	\$523,791	6.32%
Statutory Dedications (SD)	\$342,803,503	\$274,548,423	\$268,090,196	-\$6,458,227	-2.35%
Interim Emergency Board	\$0	\$0	\$0	\$0	0.00%
Federal Funds (FED)	\$1,058,355,834	\$1,545,409,028	\$1,385,705,359	-\$159,703,669	-10.33%
<b>TOTAL MOF</b>	<b>\$5,226,871,914</b>	<b>\$5,685,643,731</b>	<b>\$5,469,624,269</b>	<b>-\$216,019,462</b>	<b>-3.80%</b>
<b>Authorized Positions</b>	<b>747</b>	<b>739</b>	<b>691</b>	<b>-48</b>	<b>-6.50%</b>

Interagency Transfers are DSS TANF funds, 8(g) funds from BESE, MFP funds to the RSD, etc. Statutory Dedications primarily are Lottery Proceeds Funds and SELF Funds in the MFP.

The decrease in IAT is primarily due to deleting \$100 million from the American Recovery and Reinvestment Act of 2009 for the MFP.



## How Does the DOE Rank in LA Govt?

- DOE has the largest SGF appropriation in HB1
- DOE has the third largest IAT appropriation in HB1
- DOE has the third largest Statutory Dedication appropriation in HB1
- DOE has the third largest Federal appropriation in HB1
- DOE has the second largest Total appropriation in HB1
- DOE ranks 17<sup>th</sup> of 28 in Authorized Positions in HB1



# Distribution of SGF in the DOE

Department of Education Budget Units	STATE GENERAL FUND (DIRECT)				FY10 to FY11 % Change
	Actual Expenditures FY 08-09	Existing Operating Budget FY 09-10 (12/01/09)	Executive Budget FY 10-11	Change from FY 09-10 to FY 10-11	
State Activities	\$63,883,055	\$66,856,516	\$59,721,162	-\$7,135,354	-11%
Subgrantee Assistance	\$206,811,195	\$122,061,071	\$73,038,734	-\$49,022,337	-40%
Recovery School District	\$20,659,660	\$19,610,184	\$16,133,395	-\$3,476,789	-18%
MFP	\$3,022,172,183	\$2,933,056,821	\$3,062,212,841	\$129,156,020	4%
Nonpublic Educational Assistance	\$32,397,524	\$32,746,572	\$25,544,467	-\$7,202,105	-22%
Special School Districts	\$13,572,317	\$13,714,930	\$12,876,404	-\$838,526	-6%
<b>TOTAL</b>	<b>\$3,359,495,934</b>	<b>\$3,188,046,094</b>	<b>\$3,249,527,003</b>	<b>\$61,480,909</b>	<b>2%</b>



# Distribution of Total Funds in the DOE

Department of Education Budget Units	TOTAL MEANS OF FINANCE				FY10 to FY11 % Change
	Actual Expenditures FY 08-09	Existing Operating Budget FY 09-10 (12/01/09)	Executive Budget FY 10-11	Change from FY 09-10 to FY 10-11	
State Activities	\$125,216,775	\$148,243,362	\$136,275,814	-\$11,967,548	-8%
Subgrantee Assistance	\$1,321,332,965	\$1,718,544,237	\$1,520,726,653	-\$197,817,584	-12%
Recovery School District	\$439,617,922	\$492,816,047	\$461,788,506	-\$31,027,541	-6%
MFP	\$3,292,602,604	\$3,275,341,821	\$3,308,741,821	\$33,400,000	1%
Nonpublic Educational Assistance	\$32,397,524	\$32,746,572	\$25,544,467	-\$7,202,105	-22%
Special School Districts	\$15,704,124	\$17,951,692	\$16,547,008	-\$1,404,684	-8%
<b>TOTAL</b>	<b>\$5,226,871,914</b>	<b>\$5,685,643,731</b>	<b>\$5,469,624,269</b>	<b>-\$216,019,462</b>	<b>-4%</b>





## SGF Revenue – State Activities

19-678 State Activities	STATE GENERAL FUND				FY10 to FY11 % Change
	Actual Expenditures FY 08-09	Existing Operating Budget FY 09-10 (12/01/09)	Executive Budget FY 10-11	Change from FY 09-10 to FY 10-11	
Executive Office	\$9,670,452	\$14,883,129	\$13,327,765	-\$1,555,364	-10%
Management-Finance	\$14,795,680	\$13,126,675	\$12,400,745	-\$725,930	-6%
Student-School Performance	\$27,060,037	\$26,909,896	\$26,432,984	-\$476,912	-2%
Quality Educators	\$6,336,507	\$6,466,181	\$3,823,863	-\$2,642,318	-41%
School-Community Support	\$2,129,893	\$1,445,677	\$804,985	-\$640,692	-44%
Regional Service Ctrs	\$3,890,486	\$4,024,958	\$2,930,820	-\$1,094,138	-27%
Auxiliary	\$0	\$0	\$0	\$0	0%
<b>TOTAL</b>	<b>\$63,883,055</b>	<b>\$66,856,516</b>	<b>\$59,721,162</b>	<b>-\$7,135,354</b>	<b>-11%</b>



## Total Means of Finance – State Activities

19-678 State Activities	TOTAL MEANS OF FINANCE				FY10 to FY11 % Change
	Actual Expenditures FY 08-09	Existing Operating Budget FY 09-10 (12/01/09)	Executive Budget FY 10-11	Change from FY 09-10 to FY 10-11	
Executive Office	\$13,026,107	\$24,115,709	\$28,732,202	\$4,616,493	19%
Management-Finance	\$21,965,317	\$24,505,497	\$22,115,077	-\$2,390,420	-10%
Student-School Performance	\$50,807,908	\$43,475,089	\$41,395,936	-\$2,079,153	-5%
Quality Educators	\$14,453,012	\$28,116,698	\$24,712,736	-\$3,403,962	-12%
School-Community Support	\$17,370,132	\$18,214,434	\$11,015,788	-\$7,198,646	-40%
Regional Service Ctrs	\$7,545,730	\$9,321,408	\$7,809,548	-\$1,511,860	-16%
Auxiliary	\$48,569	\$494,527	\$494,527	\$0	0%
<b>TOTAL</b>	<b>\$125,216,775</b>	<b>\$148,243,362</b>	<b>\$136,275,814</b>	<b>-\$11,967,548</b>	<b>-8%</b>





# Position Summary for State Activities

19-678 State Activities	AUTHORIZED FULL-TIME EQUIVALENTS				FY10 to FY11 % Change
	Actual FY 08-09	Existing Operating Budget FY09-10 (12/01/09)	Executive Budget FY 10-11	Change from FY 09-10 to FY 10-11	
Executive Office	69	89	101	12	13%
Management-Finance	159	150	140	-10	-7%
Student-School Performance	124	86	75	-11	-13%
Quality Educators	67	97	87	-10	-10%
School-Community Support	88	80	67	-13	-16%
Regional Service Ctrs	73	73	57	-16	-22%
Auxiliary	0	0	0	0	0%
<b>TOTAL</b>	<b>580</b>	<b>575</b>	<b>527</b>	<b>-48</b>	<b>-8%</b>

Position changes are a result of reductions and the Department of Education realignment



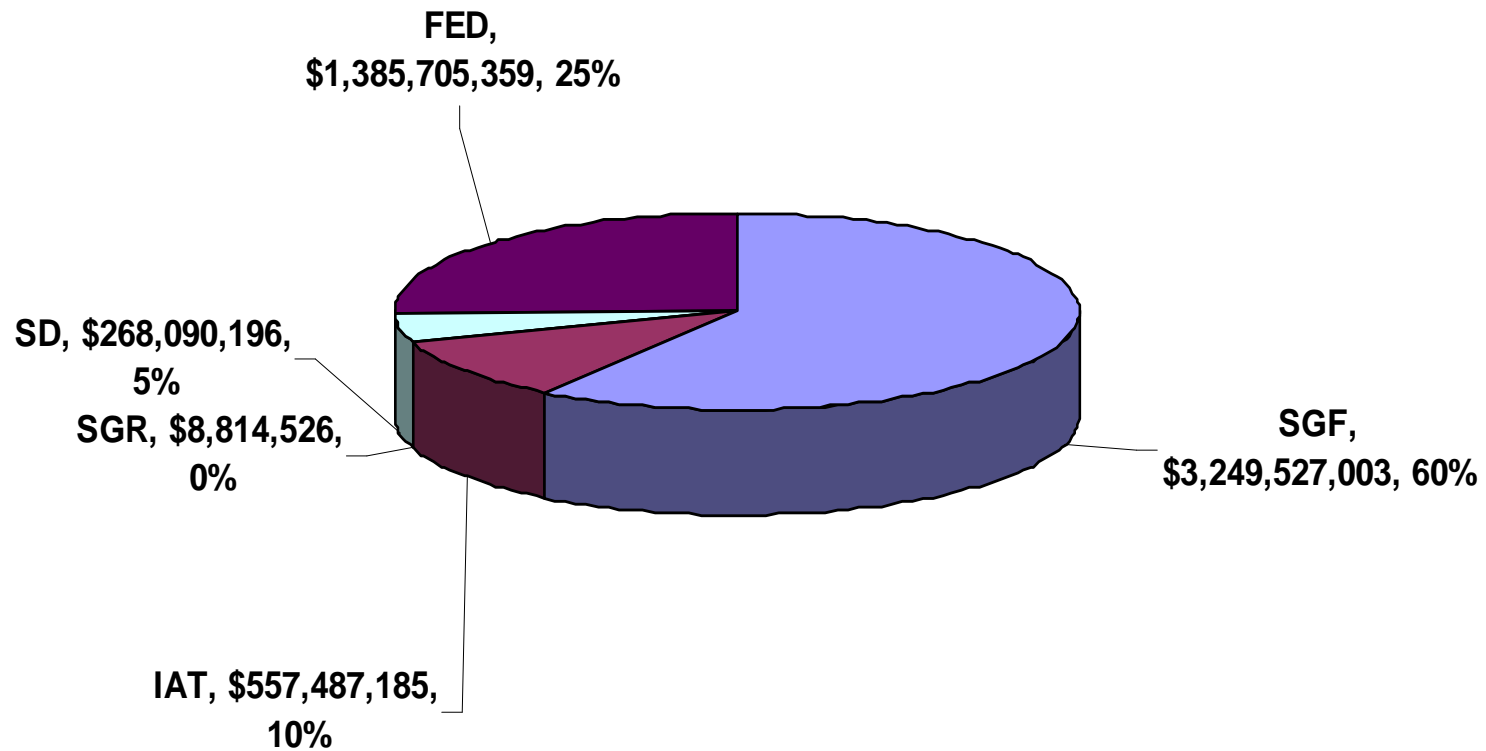
## Position Summary for SSD

19-699 Special School Districts	AUTHORIZED FULL-TIME EQUIVALENTS				FY10 to FY11 % Change
	Actual FY 08-09	Existing Operating Budget FY09-10 (12/01/09)	Executive Budget FY 10-11	Change from FY 09-10 to FY 10-11	
Administration	7	5	5	0	0%
Instruction	159	159	159	0	0%
<b>TOTAL</b>	<b>166</b>	<b>164</b>	<b>164</b>	<b>0</b>	<b>0%</b>

SSD's responsibility is to provide special education and related services to any student with exceptionalities who is enrolled in any state-operated facility as a resident of the facility and to provide appropriate educational services to any eligible student enrolled in any state-operated health facility (R.S. 17:1941), including youths who, pursuant to the order of a court, are placed in the custody of the Department of Public Safety and Corrections and assigned for confinement in any correctional center for youth that may be privately operated (R.S. 17:1987)



**DEPARTMENT OF EDUCATION FY 10-11 TOTAL MOF  
\$5.469 BILLION**





## Significant Budget Changes - Statewide

<b>\$1,467,002</b>	<b>Additional funding for LASERS and TRSL rate adjustments (\$838,669 SGF, \$214,497 IAT, \$19,405 SGR, \$1,887 SD, \$392,544 FED)</b>
<b>(\$2,002,462)</b>	<b>Salary Base Adjustment (-\$914,177 SGF, -\$277,711 IAT, -\$42,993 SGR, -\$1,905 SD, -\$765,676 FED)</b>
<b>(\$1,134,079)</b>	<b>Attrition Adjustment (-\$630,283 SGF, -\$167,510 IAT, -\$15,942 SGR, -\$1,456 SD, -\$318,888 FED)</b>
<b>(\$1,655,882)</b>	<b>Personnel Reductions including eliminating 35 vacant positions (-\$888,077 SGF, -\$163,199 IAT, -\$46,585 SGR, -\$1,660 SD, -\$556,361 FED)</b>
<b>(\$715,403)</b>	<b>Salary Funding from Other Line Items (-\$416,247 SGF, -\$21,737 IAT, -\$111,821 SGR, -\$165,598 FED)</b>



## **Significant Budget Changes - Statewide**

<b>\$62,616</b>	<b>Net adjustment after non-recurring Acquisitions and Major Repairs and then replacing those funds (-\$35,026 SGF, \$12,000 IAT, \$85,642 FED)</b>
<b>(\$108,796,189)</b>	<b>Non-recur carryforward from the RSD for \$26 million in FEMA construction funds, \$82 million from Subgrantee Assistance in Federal Funds and \$1 million from State Activities for multi-year contracts and purchase orders</b>





## **Significant Budget Changes – MOF Substitutions**

- (\$971,727) SGF** This is a decrease in SGF for the Louisiana Virtual School and, in its place, the LVS will generate this revenue from sales of services.
- (\$250,000) SGF** This is a decrease in SGF for the Regional Service Centers, and in its place, the RSC is required to generate this amount from Fees and Self-generated Revenues.
- (\$32,500,000) SGF** This is a decrease in SGF for the LA4 Early Childhood Program, and in its place, DSS will transfer TANF funds.



## **Significant Budget Changes – MOF Substitutions**

- (\$12,124,980) SGF** This is a decrease in SGF for the Minimum Foundation Program and Constitutionally Dedicated Lottery Proceeds are substituted.
- \$100,300,000 SGF** This is an increase in SGF for the MFP to replace the American Recovery and Reinvestment Act of 2009 Federal Stimulus funds. No ARRA funds are recommended by the administration for the MFP.
- \$7,581,000 SGF** This is an increase in SGF for the MFP to replace Statutory Dedicated Support Education in Louisiana First (SELF) Funds.
- \$4,669,000 SGF** This is an increase in SGF for the Ensuring Literacy and Numeracy for All Program to replace nonrecurring Overcollections Funding.



## **Significant Budget Changes – Nonrecur Funding**

- (\$2,600,000) SGF** This adjustment nonrecurs SGF for the MFP which provided assistance to Morehouse and Union Parish School Systems.
- (\$250,000) SGF** This adjustment nonrecurs SGF for the K-12 Online Database.
- (\$250,000) SGF** This adjustment nonrecurs SGF for special legislative projects.
- (\$14,325,000) FED** This adjustment nonrecurs federal budget authority for the Reading First State Grants Program.



## **Significant Budget Changes – Reductions**

- (\$5,000,000) IAT**      Reduction to the LA4 Early Childhood Program due to non-receipt of 8(g) funds for this program.
- (\$825,561) SGF**      Reduction to the LA4 Early Childhood Program as a continuation of Executive Order BJ 09-21.
- (\$8,331,461) SD**      Reduction to the Education Excellence Fund for allocation to school districts, nonpublic schools and charter schools following REC recognizing drop in earnings.
- (\$701,000) SGF**      Reduction to the Professional Improvement Program due to attrition in the number of participants. 7,836 remaining PIP participants are projected for FY 10-11 at a cost of \$13 million.



## **Significant Budget Changes – Reductions**

- (\$5,585,000) SGF** Reduction to the reimbursement to school systems for paying the salary adjustments to teachers and administrators with National Board for Professional Teaching Standards certificates.
- (\$14,364,124) SGF** Reduction to State Activities, Subgrantee Assistance and SSD as a continuation of Executive Order BJ 09-21.
- (\$7,202,105) SGF** Elimination of state funds for the Nonpublic Transportation Program in Nonpublic Educational Assistance.
- (\$700,000) SGF** Reduction due to efficiencies.
- (\$93,156,630)** Reduction due to eliminating excess budget authority in non-SGF funding





## **Significant Budget Changes – Reductions**

- (\$2,881,675) IAT**      **Reduction to the RSD for IAT funding associated with 44 vacant non-Table of Organization positions.**
- (\$3,800,000) SGF**      **Reduction to the RSD for risk management payments (\$2.5 million) and Extended Day Programs (\$1.3 million).**



## **Significant Budget Changes – Transfers**

- (\$14,754,319)**      **Transfer Adult Education activities and 8 positions to Louisiana Community and Technical College System (LCTCS) to match core functions as recommended by the streamlining recommendations (\$4,946,612 SGF, \$604,983 IAT, \$9,202,724 FED).**
- \$4,133,754 FED**      **Transfer La GEAR UP (Louisiana Gaining Early Awareness and Readiness for Undergraduate Programs) and 9 positions to the Executive Office from the Board of Regents**



## **Significant Budget Changes – Increases**

- \$36,000,000 SGF**    Adjustment to the MFP based on the BA-7 approved by the Division of Administration on December 17, 2009. The MFP Executive Budget recommendation is \$16 million less than the FY 09-10 MFP adjusted for the nonrecurring assistance to two school systems.
- \$3,100,577 SGF**    Increase in the Type 2 Charter School program for an expected enrollment increase.
- \$2,015,274 SD**    Increase in the Academic Improvement Fund Statutory Dedication to the RSD for the Student Scholarships for Education Excellence.



## **Significant Budget Changes – Realignment**

- \$11,830,000 IAT**      **Realignment or utilization change for TANF funding from After School care to JAG LA and EMPLoY (Educational Mission to Prepare Louisiana's Youth) programs.**
- \$3,493,002**              **Realignment of funding and 4 positions to the Executive Office for various programs (\$1,771,967 SGF, \$1,206,874 IAT, \$514,161 SGR).**



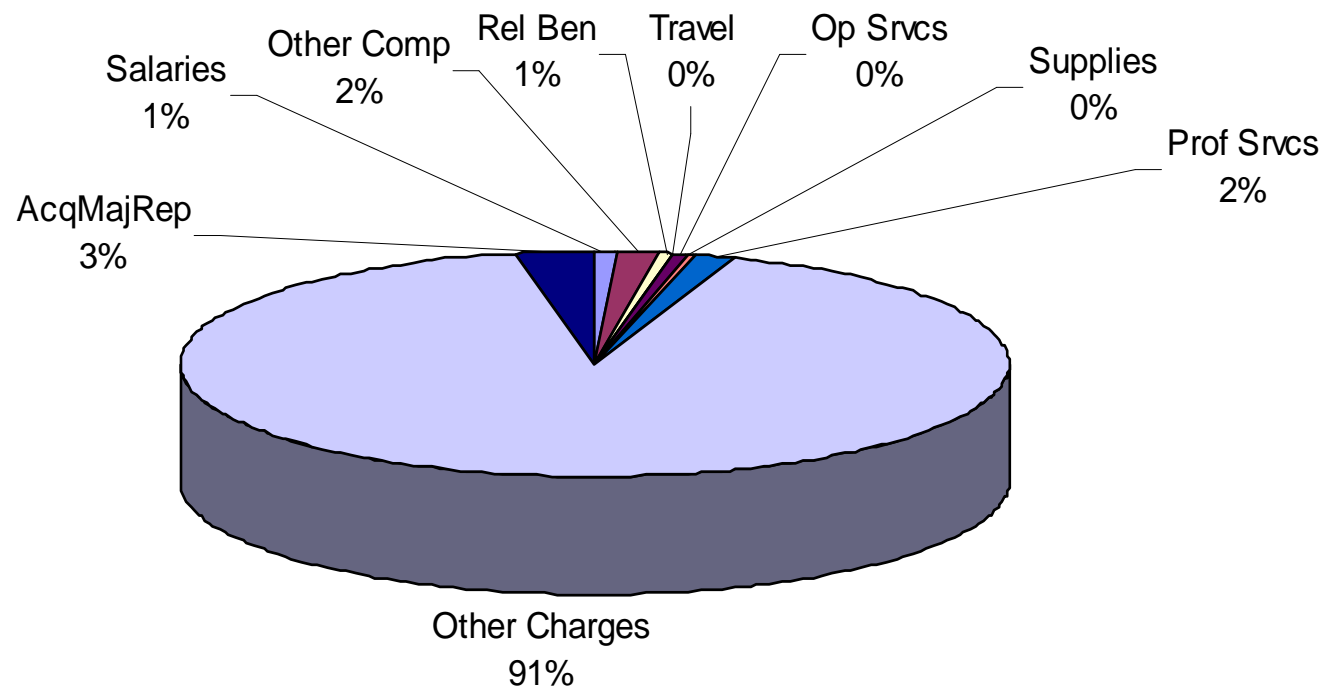
## FY 10-11 Executive Budget by Expenditure Line Item

Expenditures	FY 08-09 Actual Budget	FY 09-10 Existing Operating Budget (12/01/09)	FY 10-11 Executive Budget	Change from FY 09-10 to FY 10-11	Percent Change
Salaries	\$44,697,701	\$48,112,534	\$44,334,166	-\$3,778,368	-7.9%
Other Compensation	\$101,173,124	\$89,152,647	\$85,108,336	-\$4,044,311	-4.5%
Related Benefits	\$39,367,444	\$36,847,707	\$36,590,046	-\$257,661	-0.7%
Travel	\$3,017,410	\$3,354,255	\$3,082,215	-\$272,040	-8.1%
Operating Services	\$49,044,530	\$27,637,236	\$25,619,277	-\$2,017,959	-7.3%
Supplies	\$11,814,821	\$17,806,612	\$16,864,524	-\$942,088	-5.3%
Prof Svcs	\$79,522,487	\$101,326,947	\$99,661,765	-\$1,665,182	-1.6%
Other Charges	\$4,798,981,373	\$5,171,183,687	\$4,994,617,794	-\$176,565,893	-3.4%
Acq/Major Repairs	\$99,253,024	\$189,724,480	\$163,746,146	-\$25,978,334	-13.7%
Unallotted	\$0	\$497,626	\$0	-\$497,626	-100.0%
<b>TOTAL EXP</b>	<b>\$5,226,871,914</b>	<b>\$5,685,643,731</b>	<b>\$5,469,624,269</b>	<b>-\$216,019,462</b>	<b>-3.8%</b>





## DEPARTMENT OF EDUCATION FY 10-11 EXPENDITURES \$5.469 BILLION





## **DOE Discretionary and Non-Discretionary Funding in FY 10-11 Executive Budget**

Discretionary	\$2,133,024,008	39.00%
Non-Discretionary	\$3,336,600,261	61.00%
Total	\$5,469,624,269	100.00%

**Non-discretionary funding within DOE's FY 10-11 Executive Budget Recommendation is primarily due to the MFP**



# Statutory Dedications

LOUISIANA DEPARTMENT OF EDUCATION Statutory Dedication Comparison					
Statutory Dedications	FY 08-09 Actual Expenditures	FY 09-10 Existing Operating Budget 12/1/09	FY 10-11 Executive Budget	Change FY 09-10 to FY 10-11	Percent Change
Academic Improvement Fund	\$3,505,413	\$6,000,000	\$8,015,274	\$2,015,274	33.6%
Education Excellence Fund	\$20,128,497	\$21,255,153	\$12,923,692	-\$8,331,461	-39.2%
LA Lottery Proceeds Fund	\$141,413,565	\$125,300,000	\$137,424,980	\$12,124,980	9.7%
Mega-Project Development Fund	\$47,800,226	\$0	\$0	\$0	0.0%
Motorcycle Safety and Trng	\$128,619	\$17,020	\$0	-\$17,020	-100.0%
Overcollections Fund	\$188,077	\$4,669,000	\$0	-\$4,669,000	-100.0%
St. Landry Parish Excellence Fund	\$622,250	\$622,250	\$622,250	\$0	0.0%
Support Education in LA First	\$129,016,856	\$116,685,000	\$109,104,000	-\$7,581,000	-6.5%
<b>TOTAL</b>	<b>\$342,803,503</b>	<b>\$274,548,423</b>	<b>\$268,090,196</b>	<b>-\$6,458,227</b>	<b>-2.4%</b>



## **Dedications**

### **Academic Improvement Fund R.S.17:354**

- Monies in the fund “shall be available exclusively for programs which provide opportunities to students to acquire the skills to achieve academic success and become employable, productive and responsible citizens”
- Recommended in the Executive Budget at \$8 million for continuation of student scholarships in the New Orleans area

### **Education Excellence Fund Const. Art. VII, Section 10.8**

- One-third of the Millennium Trust dedicated to public and nonpublic elementary and secondary education
- Recommended in the Executive Budget at \$13 million



## **Dedications**

### **Lottery Proceeds Fund Const. Art. XII Section 6**

- Shall annually be appropriated only for the MFP and no more than \$500,000 for compulsive and problem gaming services
- Recommended in the Executive Budget at \$137 million for MFP

### **Support Education in Louisiana First Fund R.S. 17:421.7**

- Derived from riverboat and casino gaming revenues
- Appropriated for faculty and public elementary and secondary certificated pay raise funding since FY 01-02
- Recommended in the Executive Budget at \$109 million for MFP





## Dedications

### **St. Landry Parish Excellence Fund R.S. 27:392**

- Shall be used solely by the St. Landry School Board for elementary and secondary education or for the construction and operation of a Career and Technology Center to located in St. Landry Parish and or the enhancement and expansion of existing vocational and technical programs and curricula
- Recommended in the Executive Budget at a continuation of the 09-10 amount, \$622,250



# Louisiana Department of Education

## FY 10-11 SALARIES/POSITIONS

- \$129 million for Salaries and Other Compensation
- \$36 million for Related Benefits
- Total Personal Services = \$165 million, 3% of the LDOE total Executive Budget Recommendation
  
- Average Classified Salary = \$61,145
- Average Unclassified Salary = \$70,072
  
- 691 Authorized Positions (480 classified and 211 unclassified)
  
- As of March 19, 2010, DOE had 39 vacancies
  
- The RSD does not have an Authorized Position count. Its payroll is estimated at \$80 million and is in Other Compensation above.



## **Louisiana Department of Education**

According to BESE meeting materials, the Recovery School District was anticipating the use of \$48 million held in a joint bank account with the Orleans Parish School Board, funded by the receipt of private insurance proceeds from claims submitted related to the damage of school buildings in Orleans Parish. The DOE, however, has stated that OPSB has used \$18 million and that OPSB claims that all of the funds in the account are the property of the OPSB.

The DOE stated that litigation is ongoing.



## **Louisiana Department of Education**

The Commissioner of Insurance has recently certified that the type and extent of insurance obtained by the Office of Risk Management for the Recovery School District properties is reasonable.

Will this certification have any effect on either the cost of annual insurance or the coverage purchased for either the Recovery School District or the state as a whole?

Does this certification also have to be approved by the Federal Emergency Management Agency in the event of future property losses?



## **Louisiana Department of Education**

Jobs for America's Graduates-Louisiana (JAG-LA) and Educational Mission to Prepare Louisiana's Youth initiative (EMPLoY) are the recipient of increased funding owing to the success of the programs in achieving a reported 93% graduation rate in the JAG-LA program.

If providing a stable funding source to school systems to initiate these programs is the incentive for school systems to do so, then one possible option would be to add JAG or EMPLoY either as a weight in Level 1 of the MFP or in Level 3.

However, the legislature in Louisiana does not have the authority to make that provision whereas legislators in the other 49 states have that authority.



# **Louisiana Department of Education**

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